

Message Text

LIMITED OFFICIAL USE

PAGE 01 TOKYO 06699 211009Z

46

ACTION EA-10

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-03

INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03 SP-02

CIEP-01 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-04

CEA-01 AGR-05 FEA-01 INT-05 OES-03 ERDA-05 NRC-05

DODE-00 /102 W

----- 121192

R 210800Z MAY 75

FM AMEMBASSY TOKYO

TO SECSTATE WASHDC 0281

INFO AMEMBASSY CANBERRA

LIMITED OFFICIAL USE TOKYO 6699

E.O. 11652: N/A

TAGS: ETRD, EINV, EMIN, ENRG, JA, AS

SUBJ: GOJ VIEW OF AUSTRALIA-JAPAN MINISTERIAL TALKS

REF: CANBERRA 2843

SUMMARY. FONOFF AND MITI REPS. CONFIRMED REFTEL DESCRIPTION OF CORDIAL ATMOSPHERE OF AUSTRALIA-JAPAN MINISTERIAL TALKS AND INDICATED THAT JAPANESE MINISTERS HAD NOT GONE TO CANBERRA WITH EXPECTATION OF GAINING ANY DRAMATIC CONCESSIONS RE AUSTRALIAN TRADE AND INVESTMENT BARRIERS. GAO ATTITUDES, HOWEVER, HAVE STRENGTHENED VIEW THAT JAPAN SHOULD URGENTLY SEEK WIDER DIVERSIFICATION OF ITS RAW MATERIALS SOURCES. END SUMMARY.

1. GOJ REPS (MACHIDA, AUSTRALIA SECTION IN FONOFF, AND HIRASHIMA, AMERICAS-OCEANIA DIV, MITI) IN SEPARATE BRIEFINGS RE JAPANESE VIEW OF RESULTS MAY 2-3 MINISTERIAL TALKS EMPHASIZED THAT THESE MEETINGS, NOW IN THEIR FOURTH YEAR, HAVE NEVER BEEN CONCEIVED OF AS NEGOTIATGCG SESSIONS. THUS MACHIDA
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 TOKYO 06699 211009Z

CHARACTERIZED AS INAPPROPRIATE A FEW PRESS AND JAPANESE

INDUSTRY COMMENTS THAT MEETINGS HAD NOT PRODUCED RESULTS AND HAD ENDED WITH JAPAN GIVING AWAY SOMETHING (RESUMPTION OF BEEF IMPORTS) FOR NOTHING. HIRASHIMA INDICATED, HOWEVER, THAT ALTHOUGH GOJ HAD PLANNED TO RESUME SMALL-SCALE BEEF IMPORTS ANYWAY, THE MINISTERS HAD HOPED THAT GOA WOULD MAKE SOME RECIPROCAL GESTURE. MACHIDA SAID PRIMARY ACCOMPLISHMENT OF TALKS HAD BEEN THEIR INFORMALITY, IN CNTRAST TO THE EXCHANGES OF FORMAL STATEMENTS CHARACTERISTIC OF EARLIER MEETINGS, AND THE DEGREE OF MUTUAL UNDERSTANDING THE MINISTERS REACHED IN THE COURSE OF THEIR EXTEMPORANEOUS DISCUSSIONS.

2. ACCORDING BOTH GOJ REPS, JAPANESE MINISTERS DID NOT FIND EXPLANATION OF AUSTRALIAN ECONOMIC DIFFICULTIES A CONVINCING RATIONALE FOR IMPORT RESTRICTIONS BUT WERE REASSURED BY GOA EMPHASIS ON TEMPORRY NATURE OF THE BARRIERS AND THEIR EQUAL APPLICABILITY TO ALL TRADING PARTNERS. GOJ DEEPLY CONCERNED ABOUT AUSTRALIAN PROTECTIONISM, THEY SAID, BUT REGARDS IT AS A MANIFESTATION OF NATIONALISM WHICH HOPEFULLY CAN BE KEPT WITHIN BOUNDS OF GATT-OECD THROUGH FIRM BUT MODERATE BEHAVIOR BY AUSTRALIA'S TRADING PARTNERS. HIRASHIMA ADDED THAT TENDENCY OF AUSTRALIAN IMPORT RESTRICTIONS TO ESCALATE AND SPREAD TO INCREASING NUMBERS OF GOODS AS A RESULT OF INTERNAL POLITICAL PRESSURES WAS ESPECIALLY WORRISOME TO MITI.

3. IN GOJ VIEW AUSTRALIAN POLICY OF ASSERTING CONTROL OVER ITS ECONOMY AND RESOURCES WILL NOT BE REVERSED BY FUTURE GOVERNMENTS. BOTH GOJ REPS ACKNOWLEDGED THAT GOA DETERMINATION TO KEEP A FREE HAND IN DEALING WITH FOREIGN CAPITAL AND WITH THE EXPLOITATION OF THE COUNTRY'S NATURAL RESOURCES, AREAS WHERE JAPAN CANNOT EASILY AFFORD TO SET A PRECEDENT OF AGREEING TO RESTRICTIONS, IS THE HEART OF THE DIFFICULTY OVER THE INTERPRETATION OF MFN TREATMENT IN THE NARA TREATY- WHICH THE MINISTERS DID NOT SPECIFICALLY DISCUSS. HIRASHIMA ADDED THAT AUSTRALIAN ECONOMIC POLICIES, HOWEVER, MAKE EARLY CONCLUSION OF THE TREATY ALL THE MORE URGENT IN ORDER TO PUT JAPANESE-AUSTRALIAN TRADE RELATIONS ON AS STABLE AND CORDIAL A BASIS AS POSSIBLE UNDER THE PRESENT CIRCUMSTANCES. HE NOTED THAT GOJ AGENCIES (FONOFF, MITI, AND FINANCNE) HAVE NOT YET COME TO AGREEMENT AMONG THEMSELVES ON A MUTUALLY ACCEPTABLE LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 TOKYO 06699 211009Z

COMPROMISE TO OFFER GOA BUT DECLINES TO ELABORATE. ON THE BRIGHT SIDE, GOJ REPS OBSERVED, IS AUSTRALIA'S GROWING ASIA-PACIFIC ORIENTATIN (REPLACING BRITAIN AND THE COMMONWEALTH), AND INCREASING SENSE OF AUSTRALIA AND JAPAN AS LEADING PACIFIC DC'S, THE FUNDAMENTALLY COMPLEMENTARY NATURE OF THE TWO ECONOMIES, AND AUSTRALIA'S POTENTIAL, AS LONG AS IT DOES NOT FEEL OVERWHELMED BY FOREIGN CAPITAL OR EXPORTS, TO BE A FORCE FOR MODERATION AMONG RAW MATERIALS PRODUCING COUN-

TRIES.

4. ON SPECIFIC ISSUES THE TOW MADE FOLLOWING COMMENTS:

A. BEEF: GOJ PREPARATIONS TO RESUME BEEF IMPORTS, INCLUDING REVISION OF A LAW BY THE DIET, COMPLETED IN APRIL, PRIOR TO MINISTERIAL MEETINGS. IN DISCUSSIONS WITH AUSTRALIAN MIN OF AGRICULTURE WRIEDT, JAPANESE MIN OF AGRICULTURE ABE STATED HE "HOPED" THAT INITIAL (JUNE) BEEF QUOTA WOULD NOT BE LESS THAN 10,000 METRIC TONS AND THAT AUSTRALIA'S 80 PERCENT MARKET SHARE WOULD BE MAINTAINED. THIS WAS MOST ABE COULD SAY BECAUSE UNDER LAW DETERMINATION OF QUOTA AND ITS APPORTIONMENT ENTRUSTED TO AN INDEPENDENT PUBLIC BODY. ACCORDING MACHIDA, ABE'S STATEMENT REFLECTED CURRENT GOJ ASSESSMENT OF THE MARKET, AND IMPORTS OF AROUND 8,000 MT OF AUSTRALIAN BEEF PROBABLY WILL BE APPROVED IN JUNE WITH ADDITIONAL QUOTA ALLOTMENTS THROUGH THE YEAR IF MARKET CONDITIONS PERMIT.

B. MINERAL RESOURCES: GOJ RECONCILED TO AUSTRALIAN INTENTION OF GAINING INDIGENOUS CONTROL OVER RESOURCES AND RELATED PROCESSING INDUSTRIES, BUT MITI WORRIED THAT IF GOA GIVES TOP PRIORITY TO REDUCING FOREIGN EQUITY IN THE ECONOMY, DEVELOPMENT PROJECTS FOR URANIUM, COAL, BAUXITE, IRON ORE, AND OTHER VITAL RAW MATERIALS MAY BE DELAYED, THREATENING THE SECURITY OF LONG-TERM SUPPLY TO JAPAN. JAPANESE MINISTERS CONVINCED OF SINCERITY OF GOA'S STATED INTENTION OF FULFILLING PREVIOUS URANIUM SUPPLY COMMITMENTS TO JAPAN. MITI, HOWEVER, CONCERNED ABOUT AUSTRALIAN SUPPLY CAPACITY AND HOPEFUL THAT JOINT VENTURE FOR URANIUM ENRICHMENT CAN BE CONCLUDED AS AN EXCEPTION TO GENERAL AUSTRALIAN POLICY OF ELIMINATING FOREIGN PARTICIPATION IN NUCLEAR INDUSTRY. HIRASHIMA REMARKED THAT AUSTRALIAN ATTITUDES HAVE REINFORCED VIEW WITHIN GOJ THAT WIDER DIVERSIFICATION OF RAW MATERIAL SOURCES IS AN URGENT TASK FOR JAPAN.

C. AUTOMOBILES: OFFICIALS SAID GOJ REALIZES THAT UNEXLIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 TOKYO 06699 211009Z

PECTEDLY RAPID DETERIORATION OF AUSTRALIA'S ECONOMIC SITUATION IN 1974 HAD RESULTED IN SUBSTANTIAL INCREASE IN JAPAN'S SHARE OF THE AUTOMOBILE MARKET WHICH PROVOKED EXTREME CONCERN IN AUSTRALIAN INDUSTRY AND LABOR CIRCLES.
HODGSON

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TRADE, MINISTERIAL MEETINGS, GOVERNMENT REACTIONS, FOREIGN INVESTMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 21 MAY 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ellisoob
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975TOKYO06699
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750180-0991
From: TOKYO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750529/aaaabaje.tel
Line Count: 159
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 CANBERRA 2843
Review Action: RELEASED, APPROVED
Review Authority: ellisoob
Review Comment: n/a
Review Content Flags:
Review Date: 08 JUL 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <08 JUL 2003 by ShawDG>; APPROVED <17 NOV 2003 by ellisoob>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: GOJ VIEW OF AUSTRALIA-JAPAN MINISTERIAL TALKS
TAGS: ETRD, EINV, EMIN, ENRG, JA, AS
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006